



Memo

Date: May 10, 2021

To: CFOs, Budget Directors, and Agency Capital Budget Coordinators

From: Jim Schowalter, Commissioner

A handwritten signature in blue ink, appearing to be 'JS', is written over the 'From' line.

RE: 2022 Capital Budget Instructions

I am pleased to present the 2022 capital budget instructions. Agency preliminary requests are due to Minnesota Management and Budget (MMB) through the Capital Budget System (CBS) by June 18, 2021 and final requests are due October 15, 2021. Governor Walz's capital budget will continue to focus resources on the most critical projects and strategic investments across the state, particularly projects that:

- Address life and safety issues
- Preserve existing infrastructure and repair existing facilities before starting new projects
- Reflect state agencies' strategic capital investment plans
- Reflect state agencies' strategic plans
- Minimize construction tails and operating costs
- Are proposed following community engagement
- Reflect the priorities and goals found in the One Minnesota Plan
- Address and undo historical and systemic disparities and inequities, including those based on race, gender, veterans' status, geography, and economic status

Key dates

- **June 18, 2021** – Agency preliminary requests are due to MMB through CBS.
- **July 15, 2021** – MMB submits state agency preliminary requests and all local unit of government requests to the Legislature.
- **September 10, 2021** – Updated agency profile and strategic planning summary forms are due in SharePoint. Upload asset preservation lists in SharePoint, if applicable.
- **October 15, 2021** – Agency final requests are due to MMB through CBS.
- **January 17, 2022** – Governor Walz submits his 2022 capital budget to the Legislature and MMB publishes all state agency and local unit of government requests.

How to submit your 2022 capital budget

- Access and review the capital budget instructions on [MMB's Capital Budget Instructions website](#). Here you will find answers to frequently asked questions (FAQs) about bonding, as well as state agency-specific 2022 Capital Budget Instructions for entering requests into CBS. The instructions website also includes information about allowable uses of general obligation bond proceeds and guidance on capital grants and use agreements.
- Get access to CBS if that is not already complete (see the ["System Access" section of the CBS website](#)).
- Review CBS training materials, including the User Guide and the new CBS training videos (see the ["System Training Materials" section of the CBS website](#)).

New in 2022

- State agencies should submit draft bill language for their requests using the Upload Documents screen in CBS by October 15, 2021.
- New training videos for entering 2022 capital budget requests are included on the [Capital Budget System website](#), which walk through each screen in detail.
- MMB will host a Q&A session for state agencies on **May 24 at 1 p.m.** The session is designed to answer questions brought by state agencies, after they have reviewed the 2022 capital budget instructions, the FAQ website, and CBS training materials, including the training videos. MMB will send a meeting invitation to CBS users.
- This year, when a request is preliminary-submitted or final-submitted, a CBS system-generated confirmation email will be sent to all CBS users for that project's entity and to the project contact.
- The Minnesota Department of Human Rights' affirmative action plan requirements (Certificates of Compliance) and equal pay certificate requirements (Equal Pay Certificates) will apply to 2022 capital budget projects, for both state agency and local government contracts of a certain amount. Review the 2022 capital budget instructions for more information.

Reminders

Agencies may choose to copy a previous year's project request narrative into 2022 by using the 'Copy Previous Requests' function in CBS. As with all 2022 requests, project costs must be entered in July 2021 dollars. If a project from 2020 is copied over into 2022, you can escalate project costs by:

1. Going back to the 2020 project costs before inflation is included, which are in July 2019 dollars.
2. Adding 6% to those project costs, which brings amounts to July 2021 dollars.
3. Entering a mid-point of construction for the 2022 capital budget request.

State agencies should always enter a mid-point of construction date in the Project Overview screen of CBS to add system-generated inflation unless the request is a grant program or an asset preservation program. Updated construction inflation factor estimates are presented in

Appendix 2 of the 2022 State Agency Capital Budget Instructions, based on various mid-point of construction dates.

MMB has placed the most recent copy of your Agency Profile and Strategic Planning Summary in your agency's Capital Budget/2022 folder in the Budget Division SharePoint document management site. Please edit these documents with tracked changes, reflecting action taken in the 2021 legislative session and any other changing circumstances. If you have an asset preservation request, please complete the asset preservation form found on [MMB's Capital Budget Instructions website](#) and upload it to your agency's Capital Budget/2022 SharePoint folder. Notify your assigned Executive Budget Officer and CC the Capital Budget Coordinator, Marianne Conboy (Marianne.Conboy@state.mn.us) when your edits to these documents are complete, by September 10, 2021.

Questions?

If you have questions about the capital budget process, requirements, or due dates, please contact MMB's Capital Budget Coordinator, Marianne Conboy (Marianne.Conboy@state.mn.us or 651-201-8189).

If you have questions about CBS, including system access and system issues, please contact MMB Budget Operations (Budget.Finance.MMB@state.mn.us).

Governor Walz and MMB appreciate your dedication in preparing timely and thoughtful requests. We look forward to discussing your projects.